



**Ventura County  
Air Pollution  
Control District**

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**Michael Villegas  
Air Pollution Control Officer**

August 31, 2006

Ms. Catherine Witherspoon  
Executive Officer  
California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812-2815

**Subject: Air Resources Board (ARB) 2006 Audit of the Ventura County Air Pollution Control District's (District) Implementation of the Carl Moyer Air Quality Standards Attainment Program (Carl Moyer Program).**

Dear Ms. Witherspoon:

During the period from May 8, 2006, through May 12, 2006, ARB conducted an audit of the District's Carl Moyer Program. ARB's letter of July 13, 2006, provided the audit results or findings to the District and stated that the District had until August 21, 2006, to respond to those findings. The District's letter of August 16, 2006, responded to most of those findings. The District's response to Finding 5, "The District did not follow all of its contract requirements for Years 5 and 6 projects," was incomplete because the District's legal counsel was awaiting a response from ARB legal staff regarding certain legal issues related to the audit findings and recommendations. Now that the response from ARB legal staff has been received and read, this letter completes the District's response to ARB Audit Finding 5.

Finding 5 included a requirement/recommendation that the District's response include a legal opinion from the District's legal counsel concerning amendment to the existing Carl Moyer Program grants to revise insurance requirements. The District's August 16, 2006 response to Finding 5 included the following statement:

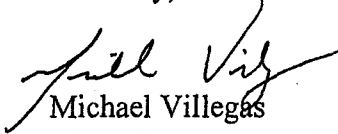
The District's legal counsel has contacted the appropriate ARB legal counsel to discuss the statement in the findings that a legal opinion is required. The District is fully prepared to amend the grant agreements in order to reduce the insurance requirements for small business grantees. However, the District and its attorney, the Ventura County Counsel's Office, are still awaiting a response from the CARB legal office justifying the audit's recommended action of submitting a Ventura County Counsel legal opinion on the insurance issue to CARB. After the District and its counsel has received and reviewed this response from CARB's legal office, the District will be in a position to complete its amendments to the grant agreements

Based upon the ARB legal staff's response to the District's legal counsel, the District is not required to provide a formal legal opinion that insurance requirements included in the revised and future Carl Moyer grant contracts are adequate. The purpose of this letter is to inform you that the County Counsel's Office has read and reviewed current Carl Moyer grant contract

language and has determined that sufficient insurance provisions/requirements are incorporated and are fully enforceable and that existing contracts can be amended to incorporate the current Carl Moyer grant contract/insurance language.

If you have any questions regarding our response to the audit findings, please contact me at 805/645-1440 or have your staff contact Jerry Mason at 805/645/1479.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Villegas", is written over the printed name.

Michael Villegas  
Air Pollution Control Officer

CC: Lucina Negrete, Manager; Alternative Strategies Section; California Air Resources Board  
Carl Moyer Phase 8 File